MAINE STATE LEGISLATURE

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L.D. 1950

2	DATE: 3/30/98 (Filing No. H-///4)
4	(1111ng no. 11 /// /
6	Reproduced and distributed under the direction of the Clerk of the House.
8	STATE OF MAINE
10	HOUSE OF REPRESENTATIVES 118TH LEGISLATURE
12	SECOND REGULAR SESSION
14	HOUSE AMENDMENT "I" to COMMITTEE AMENDMENT "A" to H.P.
16	1397, L.D. 1950, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State
18	Government and Changes to Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years
20	Ending June 30, 1998 and June 30, 1999"
22	Amend the amendment by inserting after Part DDD the following:
24	PART EEE
26	
28	Sec. EEE-1. 36 MRSA §1752, sub-§3-B, as amended by PL 1991, c. 846, §17, is further amended to read:
30	3-B. Grocery staples. "Grocery staples" means food products ordinarily consumed for human nourishment and includes,
32	but is not limited to, cereals and grain products, including bread, rolls and unflavored matzo; milk and milk products;
34	oleomargarine; meat and meat products; fish and seafood products;
3 6	poultry; eggs and egg products; vegetables and vegetable products, including pickles; fruit and fruit products, including
38	fruit juices and fruit sauces; naturally flavored powdered or liquid drink mixes or drinks; spices, condiments, including jams, jellies and peanut butter, salt and sugar; coffee and tea; and
40	unroasted nuts.
42	"Grocery staples" does not include spirituous, malt or vinous liquors; soft drinks, iced tea, sodas or beverages such as are
44	ordinarily dispensed at bars or soda fountains or in connection with bars or soda fountains; medicines, tonics, vitamins and

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	L.D. 1950	A" to H.P. 1397,
2	preparations in liquid, powdered, granular, lozenge or pill form, sold as dietary supplement	
4	except when sold on the prescription of a including mineral bottled and carbonated waters	and ice; dietary
.6	substitutes; snaek-feed; candy and confections, cream novelties; frozen confections; and prepared	
8	Sec. EEE-2. 36 MRSA §1752, sub-§14-C, as en c. 591, Pt. WW, §2 and affected by §4, is repealed	
10	Sec. EEE-3. 36 MRSA §5111, sub-§§1-A, 2-A ar	
12	by PL 1991, c. 591, Pt. YY, §2 and affected by § read:	
14	1-A. Single individuals and married person	ns filing separate
16	returns. For single individuals and married separate returns:	
18	If Maine taxable income is:	The tax is:
20	Less than \$4,050 \$4,150	2% of the Maine
22	Dess Chair \$47000 <u>\$47.400</u>	taxable income
24	At least \$4,050 <u>\$4,150</u> but less than \$8,100 <u>\$8,250</u>	\$81 <u>\$83</u> plus 4.5% of the
26		excess over \$4, 050 <u>\$4,150</u>
28		
30	At least \$8,100 <u>\$8,250</u> but less than \$16,200 <u>\$20,000</u>	\$2 63
32		excess over \$8,100 \$8,250
34	\$16,200 <u>\$20,000</u> or more	\$830 <u>\$1,091</u>
36		plus 8.5% of the excess over
38	*	\$16,200 <u>\$20,000</u>
40	2-A. Heads of households. For unmarrie legally separated individuals who qualify as head	
42	If Maine taxable income is:	The tax is:
44	Less than \$6,100 \$6,200	2% of the Maine
46		taxable income
48	At least \$6,100 \$6,200 but less than \$12,150 <u>\$12,400</u>	\$122 <u>\$124</u> plus 4.5% of the
50		excess over \$6,200

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HOUSE AMENDMENT "J" to COMMITTEE AMENDMENT "A" to H.P. 1397 L.D. 1950

2	At least \$12,150 <u>\$12,400</u> but less than \$24,300 <u>\$30,000</u>	\$394 <u>\$403</u> plus 7% of the excess over
.6		\$12,150 \$12,400
8	\$24,300 <u>\$30,000</u> or more	\$1,245 <u>\$1,636</u> plus 8.5% of the excess over
10		\$24,300 \$30,000
12	3-A. Individuals filing married joint ret spouses. For individuals filing married jo	
14	surviving spouses permitted to file a joint return	n:
16	If Maine taxable income is:	The tax is:
18	Less than \$8,100 <u>\$8,250</u>	2% of the Maine taxable income
20	N. J., W. 40 100 40 250 but	#160 #16E 1
22	At least \$8,100 <u>\$8,250</u> but less than \$16,200 <u>\$16,500</u>	\$162 \$165 plus 4.5% of the
24		excess over \$8,100 \$8,250
26	At least \$16,200 <u>\$16,500</u> but less than \$32,400 <u>\$40,000</u>	\$527 <u>\$536</u> plus 7% of the
28		excess over \$16,200 \$16,500
30	400 400 440 000	#1 ((1 #2 101
32	\$32,400 <u>\$40,000</u> or more	\$1,661 <u>\$2,181</u> plus 8.5% of the excess over
34		\$32,400 \$40,000
3 6	Sec. EEE-4. 36 MRSA §5126, first ¶, as amended 24, Pt. E, §2, is further amended to read:	d by PL 1997, c.
38	-	
40	A For income tax years beginning on or after but before January 1, 1999, a resident indivised at the second	dual is allowed
42	entitled for the taxable year for federal income	me tax purposes,
44	unless the taxpayer is claimed as a dependent on Ne For income tax years beginning on or after Ja	nuary 1, 1999, a
46	resident individual is allowed \$2,750 for each exthe individual is entitled for the taxable y	ear for federal
48	income tax purposes, unless the taxpayer is dependent on another return. An additional exer	
- T U	not allowed for taxpayers over 65 years of age	
50	neminal-dollar-amount-of-this-section-is-subje-	etto-adjustment

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HOUSE	AMENDMENT	.بىل.	to	COMMITTEE	AMENDMENT	"A"	to	H.P.	1397
L.D. 1	L950	•							

eursuant-to-Title-5,-se	etien-1518-
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	2

	Sec. EI	E I E-5. 3	36 MRSA	§ 51	26, 2nd ¶	as	enacted	by	PL	1997,	c.
24,	Pt. E,	§2, is	amended	to :	read:						

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For tax years beginning on or after January 1, 1999 2000, the nominal dollar amount of this section is also subject to annual adjustment by multiplying it by the percentage adjustment factor defined in section 5402, subsection 2 and rounded down to the nearest \$50. If any adjustment is made pursuant to this paragraph, it is effective for the current taxable year and is incorporated into the income tax forms and instructions of the State Tax Assessor for that taxable year.

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Sec. EEE-6. 36 MRSA §5219-N, sub-§1, as enacted by PL 1997, c. 557, Pt. E, §1 and affected by Pt. E, §2 and Pt. G, §1, is amended to read:

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1. Generally. Except as otherwise provided by this section, an-individual-whese-state-taxable-income-is-\$2,000-er less-is-allewed a credit equal to the amount of the tax otherwise imposed en-that-individual by this Part is allowed as follows. In no case may the credit allowed by this section reduce an individual's state income tax liability to less than zero. The following persons are entitled to a credit under this subsection:

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A. For tax years beginning in 1998:

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(1) Single individuals and married persons filing separate returns with Maine taxable income below \$4,150;

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(2) Heads of households with Maine taxable income below \$6,200; and

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(3) Individuals filing married joint returns or surviving spouses with Maine taxable income below \$8,250; and

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B. For tax years beginning in 1999:

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(1) Single individuals and married persons filing separate returns with Maine taxable income below \$8,250;

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(2) Heads of households with Maine taxable income below \$12,400; and

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(3) Individuals filing married joint returns or surviving spouses with Maine taxable income below \$16,500.

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L.D. 1950 Sec. EEE-7. Application. 2 That section of this Part that amends the Maine Revised Statutes, Title 36, section 5111 applies to tax years beginning on or after January 1, 1998. Sec. EEE-8. Effective date. That section of this Part that amends the Maine Revised Statutes, Title 36, section 1752, subsection 3-B and that section of this Part that repeals Title 36, section 1752, subsection 14-C take effect January 1, 1999. 10 **PART FFF** 12 Sec. FFF-1. Transfer from the Maine Rainy Day Fund. Notwithstanding the Maine Revised Statutes, Title 5, section 14 1585, the State Controller shall transfer \$7,497,198 from the 16 Maine Rainy Day Fund to the Capital Construction and Improvements Reserve Fund to renovate, construct and expand the Maine Criminal Justice Academy at the Oak Grove Coburn Campus on the effective 18 date of this Act. 20 Sec. FFF-2. Transfer of funds. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, or any other provision 22 the State Controller is authorized to transfer \$47,051,828 from the Tax Relief Fund for Maine Residents to the 24 General Fund unappropriated surplus in fiscal year 1998-99. 26 Sec. FFF-3. Transfer of funds. Notwithstanding the Maine 28 Revised Statutes, Title 5, section 1585, or any other provision the State Controller is authorized to \$29,865,165 from the Tobacco Tax Relief Fund to the General Fund 30 unappropriated surplus in fiscal year 1998-99.' 32

Further amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number consecutively.

FISCAL NOTE

This amendment will have no net effect on General Fund appropriations and revenue and a balanced budget is maintained for fiscal year 1997-98 and fiscal year 1998-99.

44 **SUMMARY**

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This amendment repeals the snack tax, effective January 1, 1999, but leaves intact the taxation of those items that were taxable prior to the enactment of the snack tax.

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HOUSE AMENDMENT "T" to COMMITTEE AMENDMENT "A" to H.P. 1397, L.D. 1950

This	s a	mendmer	it al	lso e	ехр	ands	the	indi	ividua	al i	income	tax	7%
bracket	for	all ca	tegoi	ries	οf	filer	s by	rai	sing	the	Maine	taxal	ble
income the	hat	applie	s to	that	br	acket	and	the	8.5%	bra	cket.		

This amendment also increases the individual income tax personal exemption in a 2-step process in an attempt to conform with the federal individual income tax personal exemption.

This amendment also expands the low-income tax credit originally established in Public Law 1997, chapter 557, Part E, section 1.

This amendment funds the repeal of the snack tax, the expansion of the 7% tax bracket and the increase in the personal exemption and low-income tax credit with funding from the Maine Rainy Day Fund.

SPONSORED BY:
(Representative DONNELLY)

TOWN: Presque Isle

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